

Westwater Resources Reports Second Quarter 2018 Operating Results

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CENTENNIAL, Aug. 09, 2018 - [Westwater Resources Inc.](#) (“WWR” or “the Company”) (Nasdaq: WWR), an energy materials development company, today announced its results for the second quarter of fiscal year 2018, along with a business outlook and new developments in its energy materials business.

Christopher M. Jones, President and Chief Executive Officer, said, “Our continued work to diversify our operating assets into battery materials has now resulted in the acquisition of [Alabama Graphite Corp.](#), giving us a first mover advantage in a key component of electrical storage devices. Our business plan published last month is to fast-track the development of battery grade graphite production capacity in Alabama and continue to explore for lithium in the American West.

“Overall, we have taken an opportunistic approach towards acquiring and developing our portfolio of products—graphite, lithium, and uranium, all of which are on the Critical Minerals List, which was submitted to the US Department of Commerce for action in May 2018. These minerals were included due to their importance to the security and economic prosperity of the United States. We believe this positions WWR to realize long-term shareholder value as an American producer of these critical materials,” concluded Mr. Jones.

Highlights for 2Q-2018 and Year to Date

- On April 23, 2018, Westwater completed the acquisition of [Alabama Graphite Corp.](#), which positions WWR as a near term producer of advanced battery graphite materials.
- GRAPHITE BUSINESS OPTIMIZATION: The Company announced an optimized business plan for its new, US based graphite business:
 - Pilot plant operations are scheduled for 2019.
 - Time honored and well-proven technologies are now planned for production. Plant start up and initial operations will utilize purchased graphite feedstock, bringing forward revenues and cash flow in time.
 - First revenues are expected in 2020.
 - Positive cash flow for the graphite business is expected in 2021.
 - The mine is planned for construction in 2025, with planned production in 2026 — funded from operating cash flow rather than external financing.
 - Net present values are estimated to be \$400 - \$500 million, depending on contingency.
 - Capital expenditures, now including pilot plant studies and final plant design, are estimated at \$41.6 million.
 - Some 35 non-disclosure agreements are in place with potential suppliers and customers for battery grade graphite materials.
 - Sample material has been sent to some of these customers for qualification test work designed to ascertain suitability for purchase.
 - Work continues with business, state and local officials in Alabama to site, permit and explore business incentives.
- LITHIUM EXPLORATION PROJECTS:
 - On March 24, 2018, the Company exercised an option to acquire a block of unpatented placer mining claims covering an area of approximately 3,000 acres within the Columbus Salt Marsh area of Esmeralda County, Nevada.
 - The Company continues to develop its water rights positions and geological knowledge on its three highly prospective lithium-enriched brine properties in Nevada and Utah, USA.

- **URANIUM PROJECTS:**
 - On June 20, 2018, the Turkish government notified the Company that the mining and exploration licenses for its Temrezli and Sefaati projects located in Turkey have been revoked and potential compensation has been proffered. While the Company is investigating the legality of this action and what remedies, including compensation, might be available, the Company has determined that it is more likely than not that the Company will be unable to explore, develop, mine or otherwise benefit from the mineral properties and, therefore, all of the uranium mineral holding property assets located in Turkey were fully impaired. The amount of the impairment charge reflects the accounting net book value for the uranium holding property assets and does not reflect the fair market value of the assets.
 - Continued restoration/reclamation activities in South Texas. Work continues to complete reclamation at Rosita in Production Areas 1 & 2 and wellfield reclamation at Vasquez.
 - In New Mexico, the Company published a new technical report outlining resources on its property holdings at Ambrosia Lake.
- **TEXAS SUPREME COURT SUCCESS:** After a 9-year legal dispute with Kleberg County, Westwater has prevailed at the Texas Supreme Court, enabling future reclamation of some of our wellfields at our Kingsville Dome site.
- **M&A EFFORTS:** WWR maintains an opportunistic posture in mergers and acquisitions by focusing on low-cost, high value development opportunities in the resource sector.
- **COST RATIONALIZATION EFFORTS:** Continue to reduce operating and general and administrative expenditures.
- **PROPERTY RATIONALIZATION:** On January 5, 2018 [Laramide Resources Ltd.](#) (“Laramide”) made the first required \$1.5 million principal payment to Westwater on its original \$5.0 million promissory note, consisting of \$750,000 in cash and the issuance of 1,982,483 of Laramide’s common shares. Laramide also made interest payments in 2018 of approximately \$0.3 million in cash.
- **EQUITY CAPITAL RAISES:** In 2018 to date, the Company has raised net proceeds of \$4.7 million, comprised of \$1.8 million from sales of stock pursuant to the Company’s Stock Purchase Agreement with Aspire Capital (now terminated) and the ATM facility with Cantor Fitzgerald, and a registered direct offering of \$2.9 million from the sale of common stock and pre-funded warrants to Aspire Capital which closed on June 14, 2018. All warrants have been exercised as of August 8, 2018.
- **CASH AND WORKING CAPITAL:** Cash and working capital balances at June 30, 2018 were \$2.7 million and \$2.2 million, respectively.

Key Financial Highlights

Table 1: Financial Summary

(\$ and Shares in 000's, Except Per Share)	1H 2018	1H 2017	1H Variance	2Q 2018	2Q 2017	2Q Var
Net Cash Used in Operations	\$(6,090)	\$(6,334)	-4%	\$(2,394)	\$(3,047)	-21%
Mineral Property Expenses	\$(1,751)	\$(2,321)	-25%	\$(969)	\$(1,552)	-38%
General and Administrative, including Non-cash Stock Comp	\$ (3,859)	\$ (3,276)	18%	\$ (2,054)	\$ (1,608)	28%
Net Loss	\$(23,876)	\$(795)	2903%	\$(20,457)	\$(2,639)	675%
Net Loss Per Share	\$(0.70)	\$(.03)	2233%	\$(0.51)	\$(0.11)	364%
Avg. Weighted Shares Outstanding	33,972	23,117	47%	39,910	24,615	62%

- Net cash used in operations. Net cash used in operating activities was \$2.4 million in 2Q-2018, compared to \$3.0 million in 2Q-2017. The decrease of \$0.6 million was primarily due to a \$0.6 million decrease in mineral property expenses. For 1H-2018, net cash used in operating activities was \$6.1 million compared to \$6.3 million in 1H-2017. The slight decrease of \$0.2 million was due to less cash used for payment of accounts payable.
- Operating expenses. Mineral property expenses decreased by approximately \$0.6 million for both 2Q-2018 and 1H-2018 versus the respective periods in 2017. The decrease was mostly the result of decreases in land maintenance and holding costs for the Juan Tafoya and Cebolleta uranium properties. General and administrative expenses, however, increased by \$0.4 million and \$0.6 million for the 2Q-2018 and 1H-2018 periods, respectively, as compared with the corresponding periods in 2017. These increases were due to a \$0.3 million increase in consulting and professional services primarily related to post-acquisition Alabama Graphite operations, a \$0.2 million increase in salaries and payroll burden and a \$0.1 million increase in stock compensation expense.

- Net loss. Consolidated net loss for the three months ended June 30, 2018 was \$20.4 million, or \$0.51 per share, as compared with a loss of \$2.6 million, or \$0.11 per share for the same period in 2017. The increase in our consolidated net loss from the corresponding period in 2017 was primarily the result of the impairment charge for the Temrezli and Sefaatli uranium mineral interests.
- Cash and working capital. The Company's cash balance was \$2.7 million as of June 30, 2018 and working capital of \$2.2 million, compared to working capital of \$3.9 million at December 31, 2017. The \$1.7 million decrease in working capital was due to \$0.9 million in loan advances to Alabama Graphite to fund their continuing operations and a decrease of \$1.0 million in the fair value of Laramide Resources securities as of June 30, 2018.
- As of July 31, 2018, the Company held cash and cash equivalents totaling approximately \$1.7 million. The Company's working capital, along with the anticipated funding from the Company's financing agreements described in the Company's Form 10-Q filed on August 8, 2018, is expected to provide the necessary liquidity through September 30, 2019.
- Shares outstanding. Total shares outstanding at August 8, 2018 was 51,996,466.

About Westwater Resources

WWR is focused on developing energy-related materials. The Company's battery materials projects include the Coosa Graphite Project and the associated Coosa Graphite Mine located across 41,900 (17,000 ha) acres in east-central Alabama. In addition, the Company maintains lithium mineral properties in three prospective lithium brine basins in Nevada and Utah. WWR's uranium projects are located in Texas and New Mexico. In Texas, the Company has two licensed and currently idled uranium processing facilities and approximately 11,000 acres (4,400 ha) of prospective in-situ recovery uranium projects. In New Mexico, the Company controls mineral rights encompassing approximately 188,700 acres (76,394 ha) in the prolific Grants Mineral Belt, which is one of the largest concentrations of sandstone-hosted uranium deposits in the world. Incorporated in 1977 as Uranium Resources, Inc., WWR also owns an extensive uranium information database of historic drill hole logs, assay certificates, maps and technical reports for the Western United States. For more information, visit www.WestwaterResources.net.

Cautionary Statement

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to risks, uncertainties and assumptions and are identified by words such as "expects," "estimates," "projects," "anticipates," "believes," "could," and other similar words. All statements addressing events or developments that WWR expects or anticipates will occur in the future, including but not limited to statements relating to the Company's growth, developments at the Company's projects, including future exploration costs and results, intent and timing of new and existing programs and testing, the potential improvements contained in WWR's initial optimization study of the Coosa Graphite Project, the future production of graphite, including on a pilot scale, and future sales of graphite, including as a first mover for key components of electrical storage devices, and the Company's liquidity and cash demands, including future capital markets financing and disposition activities, are forward-looking statements. Because they are forward-looking, they should be evaluated in light of important risk factors and uncertainties. These risk factors and uncertainties include, but are not limited to, (a) the Company's ability to successfully integrate the acquired graphite business into its own, and the risk that additional analysis of the Coosa Graphite Project may result in revisions to the findings of WWR's initial optimization study; (b) the Company's ability to raise additional capital in the future; (c) spot price and long-term contract price of graphite, lithium and uranium; (d) risks associated with our operations; (e) operating conditions at the Company's projects; (f) government and tribal regulation of the graphite industry, lithium industry, uranium industry, and the power industry; (g) world-wide graphite, lithium and uranium supply and demand, including the supply and demand for lithium-based batteries; (h) maintaining sufficient financial assurance in the form of sufficiently collateralized surety instruments; (i) unanticipated geological, processing, regulatory and legal or other problems the Company may encounter in the jurisdictions where the Company operates or intends to operate, including in Alabama, Texas, New Mexico, Utah and Nevada; (j) the ability of the Company to enter into and successfully close acquisitions or other material transactions, (k) the results of the Company's lithium brine exploration activities at the Columbus Basin, Railroad Valley, and Sal Rica projects, and the possibility that future exploration results may be materially less promising than initial exploration results; (l) any graphite, lithium or uranium discoveries not being in high enough concentration to make it economic to extract the metals; (m) currently pending or new litigation or arbitration, and (n) other factors which are more fully described in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and other filings with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize or should any of the Company's underlying assumptions prove incorrect, actual results may vary

materially from those currently anticipated. In addition, undue reliance should not be placed on the Company's forward-looking statements. Except as required by law, the Company disclaims any obligation to update or publicly announce any revisions to any of the forward-looking statements contained in this news release. The results of the initial optimization study are preliminary in nature and subject to revision following WWR's further analysis of the Coosa project.

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